

## **complaint**

Mr T complains that National Westminster Bank Plc provided inaccurate interest certificates for two bond accounts in the 2012/3 tax year, causing him to be penalised by HMRC for not declaring the interest paid to him.

## **background**

Mr T had invested £30,000 in a fixed rate bond account ending 6043, and £50,000 in another ending 6441 with NatWest. For each account he received a statement indicating no interest had been paid in the tax year 2012/3. In January 2014 he completed his tax return relying on these statements from NatWest.

In November 2014 HMRC informed him he had failed to accurately disclose the interest earned on his bond accounts. He had to pay a penalty of £180.39 plus interest, giving a total amount of £264.03. He says he incurred the penalty because he relied on the NatWest statements, which were incorrect.

Our adjudicator did not recommend that the complaint be upheld. The NatWest statements were accurate for accounts 6043 and 6441. But Mr T had not declared interest on a different and third account ending 5428, and this had led to the penalty. Mr T disagreed.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I find I have come to the same conclusions as our adjudicator.

Where the facts are unclear or there are differing versions of events, I have to determine what is most likely to have happened on a balance of probabilities.

Clearly Mr T invested his money in the fixed bond accounts with NatWest so he would receive a fixed rate of interest over a fixed period. From the information supplied by NatWest, Mr T opened account ending 5428 with a deposit of £50,000 in February 2012. The term ended a year later and the money was transferred to account ending 6441.

It is clear from the information supplied by NatWest that when account 5428 was opened, information on the account indicated that any interest on savings over £50,000 would be paid gross, so that it was the responsibility of the customer to declare the interest and pay tax on it. The money Mr T had in this account until February 2013 had earned £1,661.91 interest. He had received this gross and had an obligation to pay interest on it.

NatWest says that interest statements are automatically sent to customers at the end of the tax year. Clearly Mr T did receive the statements for accounts ending 6043 and 6441 as he relied upon them to complete his tax return online in January 2014. He says he did not receive one for account 5428.

When Mr T was notified of the penalty in November 2014, he requested copies of the interest statements from NatWest. Two branches failed to supply copies and Mr T complained. NatWest apologised for this poor service and paid him £50 for distress and upset. But in its letter of response NatWest did not accept that the statements of interest for

all three accounts had not been sent to Mr T in 2013, or that the information he was sent was inaccurate, as he says.

I acknowledge that it is confusing that Mr T had two accounts 4284 and 6441 with NatWest in the same tax year, or part of it, for the same deposit amount of £50,000. But Mr T knew the amount deposited and must have expected to earn interest on it. Also he had been informed that interest on amounts over £50,000 was paid gross. So if he only received two statements indicating he had not earned any interest at all in the tax year 2012/3, you would expect this to result in him querying the position with NatWest at the time. As he did not, it seems most likely to me that he was in fact also sent a statement automatically by NatWest in respect of account ending 5428, as well as the other two accounts, detailing the interest earned and had overlooked it when completing his tax return. Accordingly I find that NatWest has done nothing wrong, and it is not NatWest's fault that the interest earned was not disclosed by Mr T in his tax return.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 January 2016.

Janine Allen  
**ombudsman**